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Takeover frenzy reshaping industry

New power lineup emerging

By Charles Bernstein

An unprecedented takeover blitz on huge food companies and rapid spinoffs of nonfood-related divisions are creating shock waves as well as opportunities throughout the industry.

Prodded by lower interest rates, the mergers are giving impetus to a continued growth spurt by food-service supplier divisions. These deals reflect a desire by conglomerates for the stability, strong name brand identification and earnings potential that the largest food companies offer. Other such mergers well may be in the offing for the same reasons.

In the latest spate of merger activity this month, Procter & Gamble has agreed to acquire Richardson-Vicks while Dutch-British conglomerate Unilever reportedly is eying a bid for the Beatrice Cos. after an earlier Unilever bid for P&G failed.

Beatrice, in turn, plans to sell Avis and three other divisions that were part of its $2.5 billion Esmark purchase last year. Apparently Beatrice is clearing the decks to concentrate on packaged goods, food products and food-service supply while trying to reduce its huge debt.

These developments follow quickly on the heels of Philip Morris' agreement to purchase General Goods for $5.8 billion in the biggest nonoil merger in history. Ralston Purina was one of several companies believed involved in the General Foods bidding.

At the same time, Nestle, which purchased Carnation for $2.9 billion in January, has decided to switch its Libby division and brands to the Carnation and Nestle Foods divisions.

R. J. Reynolds, which previously acquired Del Monte Foods, Heublein and

*(See **MERGER**, page 53)*

LATEST ACQUISITIONS

Purchaser	Company Acquired	Price	Date Completed
Procter & Gamble	Richardson-Vicks	$1.5B	Pending
Philip Morris	General Foods	5.8B	Pending
R. J. Reynolds	Nabisco	4.9B	Sept. '85
Nestle	Carnation	2.9B	Jan. '85

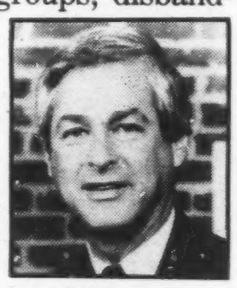
Source: *NRN* research

Saga regroups after dip

Disbands office of the president

By Alan Liddle

MENLO PARK, Calif. — Saga Corp., which in July reported its first drop in earnings in five years, has reorganized its operating groups, disbanded the office of the president and made several personnel changes, including the promotion of Laurence B. Mindel to the presidency of the five-division restaurant group.

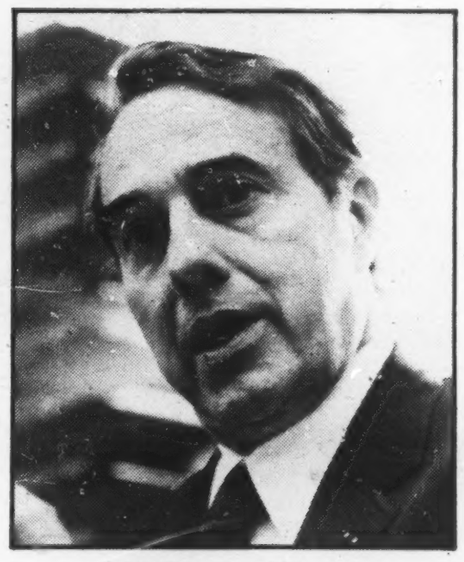


Mindel

Saga chairman Charles A. Lynch never filled the position of president in the three years the office existed. It had been run by three, and later, two, executive vice presidents.

Mindel, 47, previously headed up the eight-unit Spectrum Foods division made up of several different concepts, including Prego, Ciao, Harry's Bar and American Grill and MacArthur Park. He and ex-partner Jerry Magnin

*(See **SAGA**, page 53)*



Robert Dole
Defends tax package

Dole dodges NRA on meal tax plan

WASHINGTON — Senate Majority leader Robert Dole (R.-Kan.) artfully dodged a critical question posed on meal tax deduction legislation by National Restaurant Association president Ted J. Balestreri during the NRA's first annual public affairs conference here earlier this month. (For related opinions, see Editor's Corner, Page 9.)

"What possible advantage could meal tax disallowances be to anyone?" Balestreri forcefully asked after Dole had completed a brief talk on tax reform and federal deficit problems.

"I think you're making a statement, Ted, rather than asking a question," replied Dole with a smile. "We would have to look at all aspects of the effects of such legislation if and when the House ever passes and sends a tax bill to the Senate. It is not a simple question, and there are many ramifications to it and must be explored."

But Dole did tell Balestreri and the 250-person audience of influential food-service leaders from around the country that "President Reagan has just told me there are still too many inequities in our tax structure and that tax reform must be passed this year."

Dole indicated he agreed with Reagan on the premise of inequities but didn't see how the tax reform bill could possibly pass Congress by De-

*(See **DOLE**, page 53)*

Chili's inks Northeast license deal

By David Zuckerman

DALLAS — Chili's, the full-service casual theme-upscale hamburger chain based here, has agreed to grant Randolph, Mass.-based Dunkin' Donuts exclusive licensing rights to develop Chili's outlets throughout the New England States, Canada's eastern provinces and upstate New York, according to sources at both companies.

For the 35-year-old Dunkin' Donuts, the deal marks a first venture outside its limited doughnut niche, where the company has established a strong leadership position

*(See **CHILI'S**, page 50)*

Robert Keilt, president and chairman of California Smoothie, behind the counter at store in Paramus Park, N.J.

California Smoothie plans rapid expansion

Aims to double size of chain yearly

By Marilyn Alva

CLIFTON, N.J. —The laid-back, slow growth years at California Smoothie are over as the quick-service health chain feverishly embraces an all-out expansion drive that aims to double its size every year for the foreseeable future.

Robert B. Keilt, the tanned, blue-eyed, blond president and chairman, said he is looking to open California Smoothie stores, which feature blended fruit drinks and light foods, in 500,000-sq.-ft.-plus malls with upper-middle-income bases. "If they do $200 in sales per square foot we're interested," he said.

After opening its 11th unit in Cherry Hill, N.J., recently and disclosing that seven more stores will open by year's end. Keilt confirmed he has spent the last year putting together an organization that means to forge ahead with new company sites as well as a major franchise program.

Although the current mix features more company-operated stores (66%), Keilt estimated that 80% of new openings will be franchises. Depending on size and location, start-up costs will average between $126,000 to

*(See **SMOOTHIE**, page 4)*

VIEWPOINT LETTERS/COLUMNISTS

House alternative tax plan offers no relief to industry

WASHINGTON — The new alternative tax reform game plan of House Ways and Means Committee chairman Dan Rostenkowski appears to have extinguished all remaining prospects for final passage of any sweeping tax code overhaul this year.

Even before the committee's new option plan surfaced late last month, Congressional leaders and in-

dustry lobbyists were predicting that the 1985 legislative clock would tick down to zero before the Senate could complete action on the tax reform proposal currently being hammered out in the House.

Rostenkowski's alternative complicates matters further, and now it is debatable whether even the House will be able to finish work or a tax reform bill before the scheduled pre-Thanksgiving close of business on Capitol Hill.

That is not to say that the House is dragging its feet. According to Ron Sarasin, National Restaurant Association government relations director, Congressional leaders are pulling out all the stops to complete work on the bill in order to rid themselves of the tax reform issue before election year.

From a purely partisan standpoint, however, House Democrats would love to see the GOP-controlled Senate grappling with tax reform well into the 1986 campaign season. And they can accomplish that by turning the ball over to the Senate with no time left on the clock.

In order to do that, however, House leaders have been counting on help from the business community.

Although President Reagan's proposal has generated stiff opposition from a number of affected industries (food service, real estate and insurance among them), that tax reform plan has drawn broad-based support from a number of other business sectors (retailing, wholesaling, transportation, food processing and "high tech" manufacturing).

As of late last month, more than 200 major corporations and national trade associations had joined an unprecedented "Tax Reform Action Coalition" (TRAC) to pressure Congress into adopting the President's plan.

But TRAC's support of tax reform is based largely on Reagan's plan to lower the maximum corporate tax rate to 33%.

Calling that rate cut "the linchpin of tax reform," TRAC ran full-page advertisements in Washington newspapers, urging the Ways and Means Committee to "adopt these rate structures at the *outset* of the markup" of Reagan's bill.

Rostenkowski, however, ignored that plea and advanced an alternative "option plan" setting the maximum corporate tax rate at 35%. The result: A number of TRAC members are reconsidering their position on tax reform.

* * *

The restaurant industry, of course, does not have to reconsider its overall stand on tax reform legislation. Groups such as NRA and the Food Service and Lodging Institute have been openly opposed to provisions in the administration's plan to limit business meal deductions.

If anything, Rostenkowski's alternative (allowing only a 75% deduction for business meal spending across the board) will only deepen food-service industry opposition to tax reform.

But if Rostenkowski's counterproposal muddles and prolongs the Congressional debate over tax reform, it could work to the restaurant industry's favor.

COMPARING THE ALTERNATIVES

Meal Cost Per Person*	Tax Deduction Allowed Under: Current Law	Reagan's Bill	Rostenkowski's Alternative
$ 5	$ 5	$ 5.00	$ 3.75
10	10	10.00	7.50
25	25	25.00	18.75
30	30	27.50	22.50
40	40	32.50	30.00
50	50	37.50	37.50
60	60	42.50	45.00
80	80	52.50	60.00
100	100	62.50	75.00

*including taxes and gratuities.

Source: *NRN* research

The Quandary adjusts to Oregon's tough drinking laws

"I don't know the definition of saloon," said Dennis King, proprietor of the Veritable Quandary in Portland, Ore. "But to me, the Quandary is a saloon. It's a drinking man's bar, a professional man's bar. It's an Irish pub." And it is also a prime example of how tough drinking laws have changed the way a business operates.

The Quandry is smack in the heart of downtown

Portland, a block from the Willamette River and a few blocks from the Civic Auditorium. It is a small establishment, an ancient brick building in a sea of new office structures. The small area it occupies, once known as south Portland, has been the site of intensive urban renewal for the past 15 years and contains the oldest and the newest of Portland.

"This was a dying neighborhood," said King, who bought his building in 1971 when it was still occupied by gypsies, "Now every block is a new building filled with potential customers, but we can barely sell a drink."

King has been hit hard by Oregon's tough drinking laws, which were made even tougher little more than a year ago. Until 1984 an Oregonian was considered drunk with a blood alcohol count of 1.5%. The figure dropped to 1.0% and last July to 0.08%. Portland police put on a rigid enforcement program, mounting roadblocks during the holiday season.

An officer is empowered to stop a driver for any reason, and it he suspects the operator has taken alcohol, he can request that person to undergo a breatholizer test. If the driver refuses, he or she faces the possibility of an immediate one-year license suspension. If the driver takes the test and fails, he or she goes to jail for several days and the license can be suspended.

Although King agrees with the law in principle, he argues with the idea of making criminals out of moderate drinkers. "The chronic abusers are still here," he said. "I sense the people I'm losing are the less than 0.08."

King and his partner, David Thomson, started out small in 1971, but business picked up rapidly and the Quandary soon became a hangout for people frequenting the nearby city hall and county courthouse as well as for journalists, writers and poets. It also attracts performers from the nearby Civic Auditorium. For a dozen years, The Quandary built a loyal following, and then business began to fall off.

King puts the blame on three factors, the first of which is what he calls a cultural shift. "Our clientele moved into a more serious age bracket," he explained. "We've got families, we're serious about our careers, we're all getting older. Before, we all played more. That I can deal with."

The second change was the economic recession, which still has a profound lingering effect on Oregon. "Oregon is a late state to recover," King said. "People just don't have a lot of money to spend.

"The third was the 0.08 law. It was totally devastating. We're off probably 40% from last year on hard liquor sales. They were 70% of our gross, and now liquor is 38% to 40%. We used to sell lots of liquor after 10 p.m., but now people think hard. They're concerned about driving."

Beer and wine sales have not changed much. What has gone up, he reported, echoing the national trend, is the sale of food, which now accounts for nearly 45% of his volume. The Quandary serves approximately 170 meals a day, mostly lunches from a tiny kitchen in the bar.

"The loss of liquor sales is significant to us," he added. So significant in fact, King said, that if he and Thomson had not saved money during the good years, they would not have stayed open last winter.

Third-party liability is also affecting King and other Oregon operators. Since 1970 businesses have been forbidden to serve alcohol to drunken customers. The law was tested in 1981 by the Pfeiffer case, in which the Copperstone Restaurant and Lounge Inc. was held liable in an auto accident that occurred after one of its bartenders served a drunken customer.

Since then, insurance rates have gone up in Oregon, particularly affecting businesses with more than 25% of volume coming from liquor sales. Last year, King and Thomson paid $5,000 for liability coverage. Many operators of bars and restaurants have found that their rates have increased anywhere from 100% to 1,000%.

"I have a problem with this," King said. "In this country, it seems that we wait until problems are serious, and then we impose extreme solutions. There have never been any sort of program to educate people on the abuse of alcohol. Kids need to be trained—graphically—in the kinds of things that can happen to them. I have four kids. I talk to them all the time about alcohol."

King's conclusion: "People are going to drink, but they'll be wiser drinkers because of the tougher laws. It's going to take a while—maybe a generation."

Unskilled waitress leaves bad taste in customer's mouth

Editor, *NRN*:

It was with great interest that I read your recent commentary, "Can You Top This for Restaurant Experiences?" I would like to share with you something that happened to me several years ago.

A rapidly emerging chain by the name of Hanover Trails was being put together. The planners intended to blanket America with approximately 100 of these gigantic, 450-seat dinnerhouses, fashioned after the Hilltop Steakhouse in Saugus, Mass.

I remember how clever they were in setting up a 450-seat restaurant and then refusing to put any desserts on the menu. The logic was that they wanted faster turns. Well, they truly anticipated 1,600 covers a night. Somehow it didn't work out that way.

Someone went to the local Woolworth's and hired the counter girls, who had been there for 30 or 40 years. Their training was conspicuously lacking. Upon my first visit, I read the menu and asked the waitress what the difference was between the New York Shell and New York Strip. The clever response was "One is a shell, and one is a strip."

I asked the weight of each, since there was a difference of $4 in price. She didn't know but would find out. She returned stating that one was 12 oz. and the other 16 oz. I ordered the 16-oz. cut. When the meal was finally ready, she literally threw the steak in front of me, saying, "There it is! Do you want to weigh it or eat it?"

I think that serves as a lesson to all of us in the restaurant business—where you never get a second chance to make a first impression. The staff was so poorly trained that the waitress did not know about the items on the menu. Of course, her charm was unsurpassed. I never went back there. Would you?

I'm sure there is still someone in Camden scratching his head, wondering what happened to the 1,600 covers.

—Paul G. W. Fetscher
president
Great American Brokerage Inc.
New York, N.Y.

Saga Corp. reorganizes

(Continued from page 1)
founded Spectrum in 1972, which Saga bought in December 1984.

In his new job, Mindel is responsible for guiding the 176 restaurants operated by Spectrum, Saga's hotel food-services division and three chains: Stuart Anderson's Black Angus/Cattle Company Restaurants, The Velvet Turtle Spoons Grill and Bar.

The reorganization engineered by Lynch divides the company's 11 divisions into three operating groups and an administrative group. In addition to the restaurant group, there is a contract food-services group, which consists of corporate, education, health care and Canadian divisions, and a fast-service restaurant group made up of the 147-unit Grandy's fried chicken and ribs chain and the 211-unit Straw Hat Pizza division.

Jeffrey O. Henley, 40, who had been an executive vice president and member in the office of the president since 1982, was named president of the new fast-service group. While with the office of the president, he had overseen Grandy's, Straw Hat, contract food services and three support functions.

Also part of the restructuring was the board of directors' election of James W. Morrell, 54, to the post of vice chairman of the administrative group. Making up the group are seven corporate departments: legal, finance, human resources, operational services, planning and development, information services and communications/investor relations.

Morrell had shared executive vice president duties with Henley in the office of the president and was responsible for Black Angus, the now-defunct specialty food-services group, Velvet Turtle, hotel food services, Spoons, operational services, human resources and planning.

Other personnel changes:

- Ralph A. Pica, formerly president of the Black Angus division, was appointed to a new position: assistant to the chairman.
- Fedele R. Bauccio was named president of Black Angus. He had been president of the specialty food-services group that consisted of Velvet Turtle, hotel food services and Spoons.
- Charles A. Frank, who had been executive vice president responsible for finance and operations at Spectrum, was named to succeed Mindel as president of that division.

In a related development, Robert C. Van Horn, who will continue to head the contract food-services group, and Mindel were elected corporate officers by the board.

Lynch, who was unavailable for comment at presstime, said in a written statement: "These changes are being effected in response to changes we see in the marketplace, to sharpen our focus on our businesses, to capitalize on opportunities we see in product merchandising and marketing to satisfy our customers and to implement our plans for future growth and improved profitability."

Earlier, Saga reported its profits for the fourth quarter of fiscal 1985, ended June 30, had plummeted 67%, to $2.1 million, and full-year earnings fell to $29.1 million on revenues of $1.25 billion.

Gene Elsbree, vice president of corporate communications/investor relations, said the reorganization and personnel changes were just one of three major steps taken by Saga to improve its operating performance in fiscal 1986. It has also launched its "most aggressive, most ambitious new product development drive in years" and significantly increased advertising, promotional and marketing expenditures for all 11 divisions, he said.

Church's buys six chains

(Continued from page 3)
rants is already in place.

Bamberger said that more mergers would be made before the year ended.

All these moves, however, have been costly—shrinking the chain's once lofty $40 million-$50 million cash reserve to less than $10 million.

But some observers say Church's continues to have a healthy pretax cash flow. And, as Bamberger says, "Stockholders don't pay us to hold money, but to sell chicken."

Chicken chains purchased by Church's this year (and the number of units to be converted to Church's) include: Tinsley's Chicken 'N' Rolls, 45; Walker's Fried Chicken, four; Golden Fried Chicken, seven; Miss Bessie's, three; Casey Pritchet, three; and, most recently, Chicken Country, 33.

Church's first, and biggest, acquisition was in 1982, when it bought the 78-unit Houston-based Ron's Krispy Fried Chicken chain. That deal was significant because Church's had been shut out of the Houston market in the wake of a franchisee dispute and a court decision. The purchased restaurants have been operating since as Ron's Krispy.

But that is changing. Church's has bought the rights to use its own name in the expansive Houston market again. Within 45 days, all company-owned Ron's should be converted to Church's, Bamberger said, adding, "Let everybody fly the same flag."

Merger frenzy increases

(Continued from page 1)
Kentucky Fried Chicken, has just purchased Nabisco Brands for $4.9 billion.

These mergers are creating a new power lineup in which Philip Morris-General Foods would be the largest consumer products and food company, followed by Reynolds, P&G, Beatrice, Dart & Kraft and Nestle.

Among other giant powers on the food products and food-service supply side are H. J. Heinz, Campbell Soup, General Mills, Pillsbury, Quaker Oats, Hunt Wesson, Coca Cola and PepsiCo. (A full analysis of the growth and challenges facing these and other food-service division suppliers will appear in *Nation's Restaurant News* later this month.)

General Mills has spun off its toy and fashion apparel businesses to concentrate on food products and restaurant chains.

Hurricane hits Long Island

(Continued from page 2)
did not lose power, a crew member leaving at the end of a shift was heard to ask, "When do you need me back?" The manager's answer: "As soon as you can for as long as you can."

"It was interesting," said Bill Huber, owner of the 750-seat Bavarian Inn on Lake Ronkonkoma. When the power went out at 11 a.m. Friday Huber went into action, spinning his casual interest in electronics into a makeshift web of jury-rigged connections, low-voltage lines and loosely strung light bulbs throughout his entranceway, lobby and bathrooms.

"There was no food spoilage because our own generator kicked in right away to our two walk-in refrigerators and walk-in freezer," he recalled. "I rigged my own string of emergency lights in series, like a Christmas tree, only I used 25- and 40-watt bulbs. Later I was able to tap my dining room and two banquet rooms into the generator too." Huber also used his freezers to store food for other local restaurants.

While structural damage like lost roof shingles and water damage to the parking lot were minimal, Huber figures his 46-year-old restaurant lost at least $30,000 in gross sales during the down time. "We had two weddings Saturday and two Sunday. We were able to do them, but we had no à la carte." The restaurant averages about $2.5 million in sales per year.

"People *do* understand," Huber added. "They have been very sympathetic and understanding."

At La Mascotte restaurant in Commack, "We didn't really lose any food at all," according to owner André Guillet, 43. La Mascotte, chosen as Restaurant of the Year for 1985 by the Long Island Chapter of the New York State Restaurant Association, was forced to close that Friday due to the loss of electricity. Guillet estimated the loss at about $4,000. "Saturday was lighter than usual," he said, "but we survived. The 55-seat restaurant operated on half-power Saturday, without air-conditioning and with candles to replace much of the regular lighting."

The Maine Maid Inn in Jericho was hit "pretty hard," according to manager Janey Schoomaker. Despite precautions like taking down awnings and tying down outdoor furniture, the restaurant was still forced to close that Friday due to the loss of power. "We lost a party of more than a hundred as well as about 200 regular à la carte people," Schoomaker said. A wedding party for 130 planned for the following day did go on as scheduled.

The restaurant, Long Island's oldest, was fortunate in being located along the Jericho Turnpike—it could draw power from either two lines, one of which was given priority because it supplied a local hospital. Deliveries could not get through, but physical damage was minimal.

Dole dodges NRA over tax

(Continued from page 1)
cember.

Later, industry observers here expressed doubt that any tax bill could pass in the 1986 Congressional election year either and that 1987 would be the year. Still, a number of the conference participants expressed bewilderment over Dole's stance.

"His friendly repartee will help him greatly in his Presidential bid," noted one NRA staffer, "but we are all wondering whether Senator Dole perhaps will see our point of view on the meal tax disallowance plans, since he was primarily responsible for forcing the tip credit reporting provisions on us."

Dole's answers to other questions indicate, however, that he is standing firm on his principles. "We must be willing to make the hard choices on the deficit," he declared. "We don't need more taxes in America. We need to eliminate all the inefficiencies and excessive spending."

Officials reject labeling plan

(Continued from page 2)
At the conference, NRA officials told food-service executives that the center petitions are likely to be rejected by both government agencies within 30 to 60 days.

"I just don't see how we could respond positively to the petition," Miller said, adding more fuel to the speculation that the center's request will be rejected soon.

The FDA representative's remarks came during his participating in a blue ribbon panel discussion of federal regulatory issues at the NRA conference. Also participating on the panel were Linda Chavez, deputy assistant to the president for public liaison; Susan Meisinger, deputy undersecretary for employment standards, Department of Labor; and moderator William P. Fisher, NRA executive vice president.

The Labor Department spokesmen said that the department is "sensitive" to the food-service industry's request for revised regulations concerning the exemption for executive administrative and professional employees.

"We're looking at publishing an advanced notice of proposed rule making, listing a series of questions to gather information. We're going to be trying to solicit information from the industry," Meisinger said.

The NRA has repeatedly urged the Labor Department to adapt its often inflexible definitions for "executive" employees to the "real world" of the working supervisor and the hand-on executive.

Meisinger said the federal labor regulators have "open minds on the whole issue and strongly encourage the restaurant industry to participate" by sending letters to the department.

Clucker's opens in Chicago

(Continued from page 2)
"I wanted an affordable restaurant where people could come in once a week," the owner said. "I wanted everything under $11.95 for a full meal."

Clucker's is scheduled to open for lunch later this fall. For now, hours are 4 to 11 p.m., Sunday through Thursday, and 4 p.m. to 1 a.m., Friday and Saturday.

"I want to bring people in late at night for dessert," Merdinger said. "We have a variety of desserts because that helps build check averages."

In addition to cheese cake, Louisiana bread pudding, fresh strawberries with praline custard and chocolate chickory cake, Clucker's has a do-it-yourself custard bar.

Two dining rooms seat about 100, and the bar seats another 30. Carryout also is available.

Instead of buying media advertising to announce the opening, Merdinger hired people to wear chicken costumes and hand out $1-off coupons, or "Cluck Bucks," on Clark Street in front of the restaurant, a busy pedestrian thoroughfare. Large crowds arrived on opening nights, Merdinger said.

He plans to keep a close eye on how various menu items are selling. In case the current enthusiasm for Cajun dishes wears off, he is prepared to try alternatives.

NRN Index climbs 2.2 to 122.8 after five straight losses

NEW YORK — The *Nation's Restaurant News* Food-Service Operators Index, which skidded through September, registered a 2.2-point gain in the first week of October, closing at 122.8 on Oct. 4.

It was the 94-issue Index's first weekly gain since Aug. 23, but still a far cry from the record high of 134.7 set on July 19.

On the full, 117-stock listing, price-change losers beat out winners, 52 to 45, with 17 unchanged.

The Dow Jones Industrials Index gave up most of the gains it made earlier in the same week, but still managed to close up 7.95 points, to 1328.74 in, a market moved mainly by takeover news.

Ponderosa Inc., still buoyed by USACafes Inc.'s offer of $16 per share, led the volume surgers' list with 1.3 million shares trading hands, more than 300% heavier than its 12-week norm. The stock was up 88¢, to $14.88. USACafes was down 13¢, to $5.38.

Nankin Express led the percentage-price losers' list, off 25¢, to 13¢, a new 52-week low, on news franchisee International Multifoods had closed two of its three outlets.

Maverick Restaurants gained 25¢, to $1.75, after it sent a special letter to shareholders assuring them "that we are financially healthy."

Among the restaurant blue chips: Carrols Corp. gained 50¢, to $7.13. Church's, up 13¢, to $14.88. Collins, off 50¢, to $13.38. El Torito, off $1, to $12.23. Luby's, up 38¢, to $33.75. Marriott, up 75¢, to $90. McDonald's, up 38¢, to $64.75. Saga, off $1.38, to $22.25. T.G.I. Friday's, down 13¢, to $8.50. Transworld, up $1.88, to $38.38. Wendy's, down 25¢, to $15.13.

Calibre Corp. led the price-winners' tally, up 75¢, to $2.13. Penny-stocks Stuff Yer Face, Peoples Restaurants and Chefs International followed.

VOLUME TREND LEADERS

(Volume Trend Change, in %)

Ponderosa Sys	N	309.0	Swensens Inc	O	194.7
Calibre Cp	M	250.0	Holiday Cp	N	190.4
Gen Mills	N	243.8	El Torito Rest	N	184.8
Acapulco Rests	M	241.7	Chili's Inc	M	173.9
TGIF Texas	O	222.2	Horn & Hardart	A	160.6

TOP TEN GAINERS

(Weekly Price Change, in %)

Calibre Cp	M	54.5	Maverick Rest	M	16.7
Stuff Yer Face	O	40.0	Concept Dev	M	15.6
Peo Restaurants	M	33.3	Fast Food Oper	O	12.5
Chefs Intl	O	28.6	1 Potato 2	O	12.5
Assoc Hosts	M	19.3	Intl Dairy Queen	O	11.8

TOP TEN LOSERS

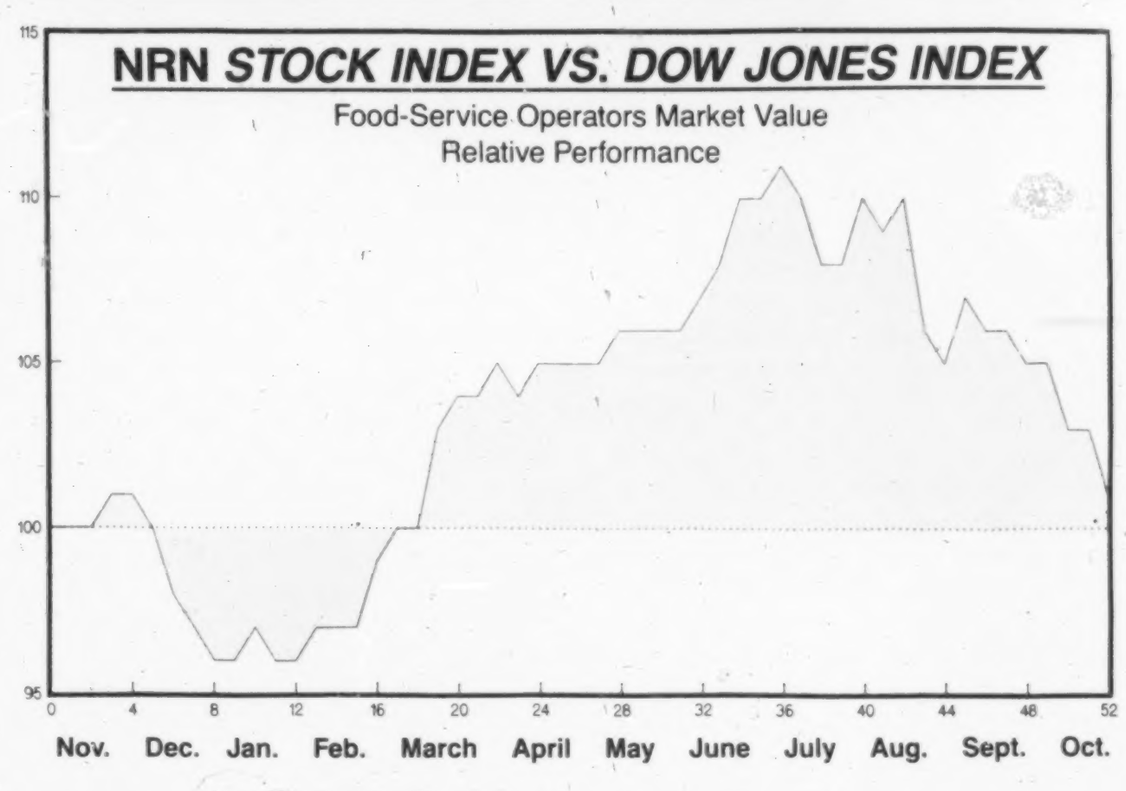
(Weekly Price Change, in %)

Nankin Express	O	- 66.7	Sizzler Rest Intl	M	- 13.6
Mr Steak	O	- 20.0	Consul Restaurant	M	- 13.6
Capt Crab	M	- 19.0	Winners Cp	N	- 13.5
Victoria Starions	M	- 18.8	Flakey Jakes	M	- 12.5
Brock Hotel Cp	N	- 16.7	Chili's Inc	M	- 12.1

Stock Market / Financial Update

Company and Market	10-04-85 Close	Weekly Price Change Amt.	Weekly Price Change Pct.	Weekly Price Range High	Weekly Price Range Low	52-Week Price Range High	52-Week Price Range Low	Weekly Shares Traded Total	Weekly Shares Traded % Out	12-Week Avg. Vol. As % Out	Volume Trend Change	P/E Ratio	Indicated Divd. Rate Amt.	Indicated Divd. Rate Yld.	Latest Report New	Latest Report Period	Latest Report Date Ended	Latest Quarter Revenue Amt.	Latest Quarter Revenue Chg.	Latest Quarter Net Income Amt.	Latest Quarter Net Income Chg.	Latest Quarter E.P.S. Amt.	Latest Quarter E.P.S. Chg.	Year-to-Date Revenue Amt.	Year-to-Date Revenue Chg.	Year-to-Date Net Income Amt.	Year-to-Date Net Income Chg.	Year-to-Date E.P.S. Amt.	Year-to-Date E.P.S. Chg.
	$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
Food-Service Operators																													
A&M Food Svcs M	7.25	- .13	- 1.7	8.00	6.88	8.00	3.50	865	2.43	.95	155.8	12.7	.00	.0		9 mos.	09-85	16.3	101.2	1.2	200.0	.33	200.0	33.5	51.6	2.0	81.8	.55	83.3
Acapulco Rests M	4.25	- .13	- 2.9	4.63	4.25	5.38	3.50	406	1.64	.48	241.7	18.5	.00	.0		9 mos.	07-85	11.3	- 40.5	.3	NC	.11	1000.0	31.2	10.2	.3	.0	.12	- 14.3
Am Restaurants M	3.50	.13	3.7	3.88	3.50	4.75	2.38	72	.31	.33	- 6.1	50.0	.00	.0		6 mos.	07-85	5.7	26.7	.1	.0	.05	66.7	10.4	15.6	.1	- 50.0	.04	- 60.0
Assoc Hosts M	13.13	2.13	19.3	13.25	10.88	16.75	10.75	2,007	4.53	3.57	26.9	20.8	.12	.9		9 mos.	06-85	22.8	- 5.0	.6	- 45.5	.12	- 47.8	68.2	- 4.1	2.0	- 33.3	.44	- 33.3
Benihana Natl M	14.00	- .38	- 2.6	14.13	13.75	21.75	12.38	362	1.22	3.75	- 67.5	11.8	.00	.0		3 mos.	06-85	28.1	100.7	1.1	57.1	.36	50.0	28.1	100.7	1.1	57.1	.36	50.0
Bob Evans Farms M	20.00	.50	2.6	20.00	19.25	22.75	15.69	739	.41	.89	- 53.9	19.2	.27	1.4		3 mos.	07-85	61.9	14.6	5.0	13.6	.28	12.0	61.9	14.6	5.0	13.6	.28	12.0
Calibre Cp M	2.13	.75	54.5	2.13	1.50	4.63	.63	466	1.54	.44	250.0	NE	.00	.0		6 mos.	01-85	3.6	2.9	(1.1)	NE	(.38)	NE	7.1	6.0	(1.8)	NE	(.60)	NE
Calny Food M	12.75	.50	4.1	13.25	11.88	15.13	8.13	1,916	4.24	5.00	- 15.2	17.7	.16	1.3		6 mos.	08-85	16.6	27.7	.7	40.0	.16	33.3	30.2	20.8	1.6	14.3	.35	12.9
Capt Crab M	1.06	- .25	- 19.0	1.38	0.88	2.63	1.00	2,504	1.63	.81	101.2	NE	.00	.0		6 mos.	02-85	1.7	240.0	(.5)	NE	(.04)	NE	3.3	200.0	(1.1)	NE	(.08)	NE
Carrols Cp N	7.13	.50	7.5	7.25	6.63	11.50	6.50	421	.54	.61	- 11.5	11.3	.07	1.0		3 mos.	08-85	39.8	4.7	1.5	- 28.6	.20	- 28.6	39.8	4.7	1.5	- 28.6	.20	- 28.6
Chefs Intl O	.56	.13	28.6	0.63	0.56	.88	.38	979	.51	.52	- 1.9	NE	.00	.0		3 mos.	04-85	5.3	- 11.7	.0	NE	.00	NE	5.3	- 11.7	.0	NE	.00	NE
Chi-Chi's M	10.00	- .13	- 1.2	10.25	9.88	15.13	9.38	4,019	1.49	2.93	- 49.1	17.9	.00	.0		3 mos.	07-85	66.6	42.9	4.5	- 10.0	.17	- 10.5	66.6	42.9	4.5	- 10.0	.17	- 10.5
Chili's Inc M	21.88	- 3.00	- 12.1	24.88	20.75	28.88	19.00	6,360	13.67	4.99	173.9	24.9	.00	.0		fiscal	06-85	21.0	69.4	1.4	75.0	.30	57.9	69.3	60.8	4.1	105.0	.88	76.0
Churchs Fr Ch N	14.88	.13	.8	15.13	14.38	20.25	13.31	5,869	1.56	3.30	- 52.7	12.9	.44	3.0		9 mos.	09-85	136.3	10.3	9.9	- 4.8	.26	- 7.1	389.3	11.0	29.0	3.2	.77	2.7
Collins Foods N	13.38	- .50	- 3.6	14.00	12.63	16.69	9.09	2,162	1.10	.88	25.0	15.4	.12	.9		3 mos.	07-85	136.4	18.6	5.6	16.7	.19	- 20.8	136.4	18.6	5.6	16.7	.19	- 20.8
Concept Dev M	9.25	1.25	15.6	9.75	7.75	16.75	5.75	1,408	2.72	2.52	7.9	NE	.00a	.0		9 mos.	03-85	28.1	212.2	(1.2)	- 100.0	(.23)	- 100.0	30.2	9.4	(1.2)	- 100.0	(.23)	- 100.0
Consol Prdts M	3.38	.13	3.8	3.38	3.25	5.38	3.13	126	.38	.45	- 15.6	15.3	.08	2.4		9 mos.	06-85	16.4	.0	(.1)	- 100.0	(.02)	- 100.0	50.2	- 2.3	.2	- 71.4	.06	- 68.4
Consul Restaurant M	2.38	- .38	- 13.6	2.75	2.13	7.88	2.13	2,019	4.44	1.99	123.1	NE	.00	.0		3 mos.	08-85	21.9	3.8	.1	NC	.02	100.0	21.9	3.8	.1	NC	.02	100.0
Cracker Barrel M	10.75	- .38	- 3.4	11.75	10.75	17.75	10.25	1,720	4.83	2.14	125.7	15.1	.14	1.3		fiscal	07-85	20.7	19.7	1.5	15.4	.45	- 2.2	67.5	18.6	2.4	- 11.1	.71	- 27.6
Cucos Inc O	7.00	.00	.0	7.50	7.00	7.00	2.75	91	.52	.81	- 35.8	43.8	.00	.0		fiscal	06-85	1.8	100.0	.1	NC	.05	66.7	6.6	106.3	.3	50.0	.16	23.1
DLites Of Amer M	6.63	.00	.0	6.88	6.38	15.50	6.38	1,901	3.74	3.35	11.6	39.0	.00	.0		3 mos.	05-85	5.9	145.8	.2	NC	.05	400.0	5.9	145.8	.2	NC	.05	400.0
Dunkin Donuts M	23.25	1.25	5.7	23.50	22.00	25.38	14.84	1,857	2.58	1.69	52.7	16.6	.24	1.0		9 mos.	07-85	48.7	136.4	2.8	21.7	.37	15.6	73.4	17.1	8.2	17.1	1.11	15.6
El Chico M	9.25	- .25	- 2.6	9.50	9.13	12.50	7.25	522	1.12	1.74	- 35.6	10.6	.00	.0		3 mos.	08-85	21.9	3.8	1.0	11.1	.22	10.0	21.9	3.8	1.0	11.1	.22	10.0
El Pollo Asa O	4.75	.00	.0	4.88	4.75	6.34	1.84	451	2.67	3.60	- 25.8	NE	.00	.0		3 mos.	06-85	1.4	100.0	.0	NE	.01	NE	1.4	100.0	.0	NE	.01	NE
El Torito Rest N	12.13	- 1.00	- 7.6	13.38	11.63	19.25	10.63	3,941	3.56	1.25	184.8	11.2	.00	.0		6 mos.	06-85	84.9	31.4	4.0	21.2	.35	20.7	150.3	22.1	6.2	26.5	.54	25.6
Famous Rest M	1.75	- .13	- 6.7	1.88	1.63	3.88	1.63	833	1.39	1.13	23.0	NE	.00	.0		6 mos.	06-85	12.3	- 2.4	(.1)	- 100.0	(.02)	- 100.0	28.6	- 3.7	.3	NC	.05	NC
Fast Food Oper O	.56	.06	12.5	0.75	0.56	1.31	.50	122	.21	.36	- 41.7	28.1	.00	.0		6 mos.	06-85	1.9	- 9.5	.1	.0	.01	- 50.0	3.7	- 2.6	.1	.0	.01	- 50.0
Flakey Jakes M	2.63	- .38	- 12.5	2.88	2.63	8.25	2.38	1,479	2.13	3.34	- 36.2	NE	.00	.0		6 mos.	06-85	5.3	194.4	(3.9)	NE	(.56)	NE	10.6	221.2	(4.4)	NE	(.63)	NE
Folks Rest O	1.50	.00	.0	2.50	1.50	7.38	1.50	0	.00	.12	-100.0	NE	.00	.0		6 mos.	06-85	2.2	37.5	.0	NE	.01	NE	3.9	56.0	(.3)	NE	(.17)	NE
Frisch's A	21.75	- .38	- 1.7	22.38	21.75	26.00	14.50	24	.05	.16	- 68.8	18.9	.22	1.0		fiscal	05-85	30.5	- 5.9	1.7	- 10.5	.39	- 7.1	127.3	2.7	5.0	2.0	1.15	3.6
Fuddruckers Inc M	6.38	- .25	- 3.8	6.75	6.13	14.50	6.00	2,244	3.32	2.77	19.9	37.5	.00	.0		6 mos.	06-85	13.8	165.4	.4	NE	.06	NE	23.9	157.0	.5	NE	.08	NE
Good Taco O	.31	.00	.0	0.38	0.31	2.75	.25	241	.81	.70	15.7	NE	.00	.0		fiscal	02-85	.1	- 75.0	(.3)	NE	(.07)	NE	1.1	37.5	(1.4)	NE	(.51)	NE
Hambrg Hamlet O	14.75	.00	.0	15.50	14.75	15.25	10.50	0	.00	.39	-100.0	7.6	.00	.0		3 mos.	06-85	9.4	- 2.1	.4	.0	.58	.0	9.4	- 2.1	.4	.0	.58	.0
Hungry Tiger M	5.63	- .13	- 2.2	5.75	5.50	6.25	3.63	257	.88	2.16	- 59.3	NE	.00	.0		9 mos.	05-85	20.7	- 3.3	(.4)	- 100.0	(.13)	- 100.0	49.6	- 5.3	(.9)	- 100.0	(.29)	- 100.0
Intl Dairy Queen O	71.00	7.50	11.8	74.00	64.00	71.00	39.50	50	.25	.15	66.7	17.4	.00	.0		6 mos.	05-85	48.4	27.7	3.1	- 90.5	1.54	40.0	75.6	15.1	3.9	- 88.3	1.92	35.2
Intl King Tab M	17.50	.25	1.4	18.25	17.25	24.75	14.88	965	3.36	2.09	60.8	11.5	.00a	.0		fiscal	06-85	19.0	1.1	1.2	20.0	.41	41.4	80.7	3.2	4.5	18.4	1.52	19.7
JB Restaurant M	10.63	- .88	- 7.6	11.63	10.63	15.50	9.16	909	1.97	3.07	- 35.8	14.0	.16	1.5		9 mos.	06-85	32.8	47.7	.9	- 10.0	.24	- 14.3	69.5	42.7	1.8	- 5.3	.48	- 9.4
Jerrico Inc M	21.13	.00	.0	21.38	21.00	23.25	14.25	3,821	2.41	4.67	- 48.4	15.0	.12	.6		fiscal	06-85	128.1	1.2	7.6	10.1	.48	11.6	505.7	4.5	22.3	9.3	1.41	9.3
Kapok Cp A	3.50	.00	.0	3.50	3.38	4.38	1.13	87	.36	.81	- 55.6	2.1	.00	.0		9 mos.	06-85	3.8	- 40.6	1.1	NE	.40	NE	14.6	- 15.6	4.9	NE	2.01	NE
Karcher Carl M	16.25	.13	.8	16.38	15.88	23.75	13.50	989	1.40	1.24	12.9	14.6	.00	.0		3 mos.	04-85	95.5	- 2.7	.8	- 82.2	.11	- 82.8	95.5	- 2.7	.8	- 82.2	.11	- 82.8
Lifestyle Rest A	1.75	.00	.0	1.75	1.63	3.13	1.50	136	.24	.36	- 33.3	NE	.00	.0		9 mos.	07-85	18.1	- 4.7	(.6)	NE	(.12)	NE	59.8	- 9.7	(4.8)	NE	(.85)	NE
Luby's Cafe N	33.75	.38	1.1	34.50	33.38	37.38	26.38	186	.15	.30	- 50.0	21.8	.60	1.8		9 mos.	05-85	52.5	14.4	5.5	7.8	(.12)	NE	144.5	17.5	13.8	12.2	1.14	11.8
Marcus Corp M	17.50	.00	.0	17.75	17.50	19.38	13.88	28	.06	.22	- 72.7	10.5	.30	1.7		3 mos.	08-85	36.1	7.8	3.2	14.3	.62	12.7	36.1	7.8	3.2	14.3	.62	12.7
Marriott Corp N	90.00	.75	.8	91.88	88.25	100.00	70.00	2,270	.87	.59	47.5	15.2	.54	.6		9 mos.	09-85	969.0	16.2	44.8	17.0	1.67	16.8	2845.5	18.4	115.6	20.4	4.30	21.5
Maverick Rest M	1.75	.25	16.7	1.75	1.50	6.00	1.50	34	.07	.20	- 65.0	NE	.00	.0		6 mos.	07-85	3.3	13.8	(.1)	- 100.0	(.02)	- 100.0	6.4	20.8	(.1)	- 100.0	(.02)	- 100.0
Max & Erma's O	2.25	.00	.0	2.50	2.25	4.75	2.25	16	.09	.13	- 30.8	NE	.00	.0		9 mos.	07-85	4.0	- 9.1	(.2)	NE	(.12)	NE	12.6	- 4.5	(.1)	NE	(.07)	NE
McDonald's Cp N	64.75	.38	.6	65.63	64.25	70.00	49.38	7,862	.92	1.07	- 14.0	14.0	.90	1.4		6 mos.	06-85	955.6	10.5	117.1	7.8	1.35	10.7	1764.2	9.6	201.4	9.7	2.31	11.6
McFaddin Ventures M	10.00	.00	.0	10.38	10.00	11.88	9.75	40	.07	.48	- 85.4	11.9	.00	.0		9 mos.	08-85	18.3	67.9	1.3	30.0	.23	15.0	48.1	55.7	3.9	50.0	.78	44.4
Morrison Inc M	18.00	- .75	- 4.0	19.25	17.75	21.88	15.50	1,168	.85	1.01	- 15.8	13.7	.48	2.7		3 mos.	08-85	128.8	9.2	4.9	6.5	.36	5.9	128.8	9.2	4.9	6.5	.36	5.9
Mr Steak O	1.00	- .25	- 20.0	1.25	1.00	3.13	1.00	657	1.37	.76	80.3	NE	.00	.0		9 mos.	06-85	7.0	- 59.1	(.5)	NE	(.11)	NE	21.8	- 56.2	(.6)	NE	(.14)	NE
Nankin Express O	.13	- .25	- 66.7	0.38	0.13	2.38	.13	434	1.93	.91	112.1	NE	.00	.0		6 mos.	07-85	.4	100.0	(.6)	NE	(.26)	NE	.7	75.0	(.9)	NE	(.39)	NE
Nathans M	3.88	.25	6.9	3.88	3.75	4.50	2.00	163	.73	.87	- 16.1	11.1	.05	1.3		3 mos.	06-85	6.6	8.2	.5	25.0	.21	16.7	6.6	8.2	.5	25.0	.21	16.7
Natl Pizza M	11.75	.25	2.2	11.88	11.75	12.88	7.50	932	1.68	.78	115.4	15.9	.00	.0		3 mos.	06-85	15.0	48.5	1.4	27.3	.26	18.2	15.0	48.5	1.4	27.3	.26	18.2
Naugles Inc M	2.75	.25	10.0	2.75	2.50	9.25	2.25	406	.92	3.48	- 73.6	NE	.00	.0		fiscal	06-85	30.8	13.2	(7.5)	- 100.0	(1.68)	- 100.0	124.1	8.1	(9.2)	NE	(2.06)	NE
Noble Roman O	6.75	- .25	- 3.6	7.50	6.75	8.50	6.19	5	.04	.30	- 86.7	56.3	.00	.0		6 mos.	06-85	5.5	25.0	(.1)	- 100.0	(.02)	- 100.0	10.2	14.6	(.2)	- 100.0	(.13)	- 100.0
1 Potato 2 O	.56	.06	12.5	0.88	0.50	5.00	.50	66	.30	.47	- 36.2	NE	.00	.0		3 mos.	04-85	3.5	- 7.9	(.4)	NE	(.17)	NE	3.5	- 7.9	(.4)	NE	(.17)	NE
Old Fashion Fd M	4.50	.25	5.9	4.50	4.25	5.25	4.00	45	.32	1.04	- 69.2	7.1	.00	.0		fiscal	05-85	3.8	11.8	.4	300.0	.29	123.1	14.1	24.8	.9	28.6	.63	10.5
Pancho Mex Buffet M	7.25	- .13	- 1.7	7.50	7.13	8.38	6.00	1,073	2.89	2.18	32.6	12.9	.13	1.8		9 mos.	06-85	9.7	16.9	.6	50.0	.17	6.3	26.1	14.5	1.2	20.0	.37	2.8
Peo Restaurants M	.13	.03	33.3	0.16	0.13	1.50	.09	1,302	1.51	.86	75.6	NE	.00	.0		6 mos.	12-84	5.5	- 69.6	(17.1)	NE	(1.97)	NE	13.8	- 54.0	(20.4)	- 100.0	(2.36)	- 100.0
Piccadilly Caf M	22.00	- .50	- 2.2	22.63	22.00	24.13	16.50	119	.20	.87	- 77.0	13.9	.60	2.7		fiscal	06-85	48.0	5.7	2.5	.0	.42	.0	196.8	7.5	9.5	13.1	1.58	12.9
Pizza Inn A	7.50	- .25	- 3.2	8.00	7.25	10.25	6.88	220	.73	.89	5.8	NM	.08	1.1		6 mos.	06-85	50.6	4.1	.3	- 72.7	.10	- 71.4	98.3	13.0	.4	- 78.9	.14	- 77.0
Po-Folks M	11.75	.13	1.1	12.00	11.50	14.75	8.75	278	.63	.92	- 31.5	15.3	.00	.0		9 mos.	06-85	39.3	34.1	1.6	23.1	.36	24.1	99.8	31.7	2.4	4.3	.54	3.8
Ponderosa Sys N	14.88	.88	6.3	15.50	13.75	18.00	10.50	13,104	13.62	3.33	309.0	NM	.40	2.7		6 mos.	06-85	117.7	- 6.1	1.5	- 68.1	.16	- 68.6	234.9	- 3.7	2.3	- 75.0	.24	- 77.4

Source: Media General Financial Services


NRN STOCK INDEX VS. DOW JONES INDEX
Food-Service Operators Market Value
Relative Performance
115
110
105
100
95
0 4 8 12 16 20 24 28 32 36 40 44 48 52
Nov. Dec. Jan. Feb. March April May June July Aug. Sept. Oct.

Oct. 28, 1983 = 100

Source: Media General Financial Services

Oct. 28, 1983 = 100

Stock Market / Financial Update

Company and Market		10-04-85 Close	Price: Weekly Change Amt.	Price: Weekly Change Pct.	Price: Weekly Range High	Price: Weekly Range Low	Price: 52-Week Range High	Price: 52-Week Range Low	Volume: Weekly Shares Traded Total	Volume: Weekly Shares Traded % Out	Volume: 12-Week Avg. Vol. As % Out	Volume: Volume Trend Change	P/E Ratio	Indicated Divd. Rate Amt.	Indicated Divd. Rate Yld.	Latest Report: New Report	Latest Report: Period	Latest Report: Date Ended	Latest Quarter: Revenue Amt.	Latest Quarter: Revenue Chg.	Latest Quarter: Net Income Amt.	Latest Quarter: Net Income Chg.	Latest Quarter: E.P.S. Amt.	Latest Quarter: E.P.S. Chg.	Year-to-Date: Revenue Amt.	Year-to-Date: Revenue Chg.	Year-to-Date: Net Income Amt.	Year-to-Date: Net Income Chg.	Year-to-Date: E.P.S. Amt.	Year-to-Date: E.P.S. Chg.
-		$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
Primo Inc	O	1.75	.00	.0	2.00	1.75	4.63	1.50	30	.09	.54	- 83.3	NM	.00	.0	.....	9 mos.	06-85	1.2	33.3	.1	NE	.01	NE	3.0	3.4	.3	NC	.08	NE
RAX Restaurants	M	6.00	.00	.0	6.25	5.75	13.75	5.75	716	1.04	.79	31.6	NC	.00	.0	.....			NC	NC	NC	NC	NC	NC	.0	NC	.0	NC	.00	NC
Rest Assoc	A	4.75	- .25	- 5.0	5.00	4.75	6.59	3.84	71	.18	.83	- 78.3	14.4	.10	2.1	.....	6 mos.	06-85	35.8	9.1	.6	.0	.18	20.0	69.0	9.9	.3	- 50.0	.09	- 40.0
Rest Mgmt	M	12.00	- 1.00	- 7.7	13.00	11.75	15.00	6.75	416	1.96	1.67	17.4	17.1	.09	.8	.....	9 mos.	07-85	8.5	28.8	.5	25.0	.15	- 11.8	26.7	34.8	1.5	36.4	.54	10.2
Rest Systems	M	17.13	.25	1.5	17.38	16.63	17.13	11.75	626	2.70	1.94	39.2	18.6	.00	.0	.....	6 mos.	06-85	9.6	18.5	.6	20.0	.23	4.5	20.1	8.6	1.1	10.0	.46	7.0
Ritzys G D	M	2.13	.13	6.3	2.38	2.00	4.38	1.75	914	1.76	.87	102.3	NE	.00	.0	.....	6 mos.	06-85	3.9	14.7	(.3)	NE	(.06)	NE	6.9	11.3	(1.0)	NE	(.19)	NE
Rusty Pelican	M	13.75	- .75	- 5.2	14.50	13.25	18.25	11.00	1,002	3.55	1.57	126.1	16.0	.00	.0	.....	fiscal	07-85	19.2	61.3	1.2	71.4	.44	37.5	53.7	47.1	2.3	27.8	.86	1.2
Ryan's Fam	M	15.75	.25	1.6	16.00	15.25	19.25	11.34	2,426	3.49	1.83	90.7	25.8	.00	.0	.....	6 mos.	06-85	12.4	61.0	1.3	62.5	.18	50.0	22.9	59.0	2.4	50.0	.34	41.7
Saga Corp	N	22.25	- 1.38	- 5.8	23.38	22.00	35.00	22.00	3,233	2.47	1.60	54.4	10.2	.52	2.3	.....	fiscal	06-85	324.8	6.2	2.1	- 67.2	.16	- 66.7	1254.8	10.9	29.1	- 6.1	2.18	- 9.2
Sandwich Chef	M	7.63	.00	.0	8.00	7.63	8.88	6.88	3	.02	.26	- 92.3	13.4	.00	.0	.....	fiscal	06-85	7.5	11.9	.2	.0	.17	.0	28.7	12.1	.7	.0	.57	3.6
Sea Galley	M	4.25	- .38	- 8.1	4.25	4.00	9.50	4.13	650	2.05	3.95	- 48.1	2.3	.00	.0	.....	6 mos.	06-85	15.3	- 7.8	.3	- 81.3	.13	- 68.3	29.9	- 8.3	2.3	- 23.3	.70	- 9.1
Shoney's Inc	M	26.00	- .13	- .5	26.50	25.75	31.88	21.94	2,818	.99	1.50	- 34.0	20.8	.15	.6	.....	9 mos.	07-85	134.2	13.9	10.4	26.8	.36	20.0	413.8	14.9	27.6	26.0	.96	20.0
Shoney's South	M	11.25	- .38	- 3.2	11.88	11.25	16.00	10.00	234	.42	1.67	- 74.9	10.4	.00	.0	.....	6 mos.	06-85	44.1	10.3	2.1	.0	.36	5.9	94.4	9.1	3.0	- 25.0	.51	- 25.0
SIS Cp	M	4.75	- .25	- 5.0	5.50	4.75	6.00	3.25	89	.57	.62	- 8.1	NE	.00	.0	.....	6 mos.	06-85	3.4	61.9	.0	- 100.0	.03	- 25.0	5.9	68.6	(.1)	NC	(.06)	NE
Sizzler Rest Intl	M	12.75	- 2.00	- 13.6	14.75	12.75	17.75	9.16	533	.52	.73	- 28.8	12.5	.00	.0	.....	3 mos.	07-85	46.4	16.0	3.0	20.0	.30	20.0	46.4	16.0	3.0	20.0	.30	20.0
Skippers	M	9.88	- .38	- 3.7	10.13	9.50	12.50	8.75	630	2.31	2.14	7.9	10.7	.08	.8	.....	6 mos.	06-85	16.1	11.8	.6	.0	.24	9.1	31.5	13.3	1.1	.0	.41	- 2.4
So Hospitality	M	4.50	- .13	- 2.7	4.63	4.50	5.88	4.00	796	1.60	2.01	- 20.4	10.7	.00	.0	.....	3 mos.	08-85	12.2	14.0	.7	75.0	.15	87.5	12.2	14.0	.7	75.0	.15	87.5
Stuff Yer Face	O	.44	.13	40.0	0.50	0.44	1.44	.31	585	.39	.42	- 7.1	NE	.00	.0	.....	3 mos.	06-85	.8	60.0	(.1)	NE	(.01)	NE	.8	60.0	(.1)	NE	(.01)	NE
Swensens Inc	O	1.50	- .13	- 7.7	1.75	1.38	3.13	1.38	302	.56	.19	194.7	NE	.00	.0	.....	6 mos.	06-85	3.1	6.9	.0	NC	.01	.0	5.8	9.4	(.3)	NC	(.04)	- 100.0
Taco Villa	O	4.50	.00	.0	5.00	4.50	7.75	4.50	100	.12	.12	.0	23.7	.00	.0	.....	6 mos.	06-85	18.9	166.2	.5	66.7	.06	- 14.3	34.1	138.5	.3	- 50.0	.04	- 73.3
Taco Viva	M	3.75	- .25	- 6.3	4.25	3.75	7.50	3.75	125	.36	.67	- 46.3	11.0	.00	.0	.....	9 mos.	02-85	5.5	- 6.8	.3	- 25.0	.10	- 9.1	17.7	8.6	.9	12.5	.27	12.5
TGI Friday's	N	8.50	- .13	- 1.4	8.88	8.50	12.38	7.88	611	.53	.58	- 8.6	12.3	.00	.0	.....	6 mos.	06-85	80.1	12.5	3.6	5.9	.20	11.1	156.4	14.6	7.0	7.7	.39	11.4
TGIF Texas	O	2.00	.00	.0	2.38	2.00	2.38	2.00	44	.29	.09	222.2	NE	.00	.0	.....	3 mos.	03-85	3.2	23.1	(.2)	NE	(.15)	NE	3.2	23.1	(.2)	NE	(.15)	NE
TCBY Entrprs	M	19.88	.38	1.9	20.00	18.63	23.75	4.09	2,166	4.97	4.61	7.8	55.2	.00	.0	.....	6 mos.	05-85	4.3	207.1	.8	166.7	.19	171.4	6.3	200.0	1.0	233.3	.23	187.5
Transworld	N	38.38	1.88	5.1	40.38	36.25	41.13	28.25	11,028	3.10	1.59	95.0	12.7	.48	1.3	.....	6 mos.	06-85	529.7	5.1	30.9	3.3	.79	- 7.1	1009.5	4.3	47.1	- 4.3	1.19	- 9.8
USACafes	M	5.38	- .13	- 2.3	5.75	5.31	6.00	3.25	3,519	5.60	3.35	67.2	15.4	.28	5.2	.....	9 mos.	06-85	4.5	15.4	.5	.0	.10	.0	13.9	16.8	1.7	6.3	.26	- 10.3
Vicorp Restaurants	M	16.63	- .13	- .7	17.13	16.63	28.25	13.25	2,514	2.98	4.47	- 33.3	14.8	.12	.7	.....	9 mos.	07-85	93.9	39.3	3.1	14.8	.33	- 19.5	286.4	85.5	5.9	1.7	.67	- 23.0
Victoria Stations	M	1.63	- .38	- 18.8	2.00	1.50	4.38	1.63	1,411	3.10	1.93	60.6	NE	.00	.0	.....	fiscal	03-85	20.3	- 14.0	(2.2)	NE	(.62)	NE	93.8	- 7.3	(5.9)	NE	(1.67)	NE
Wendys Intl	N	15.13	- .25	- 1.6	15.75	15.00	19.13	12.19	11,877	1.62	1.42	14.1	15.1	.21	1.4	.....	6 mos.	06-85	290.4	20.8	22.3	15.5	.30	15.4	526.9	18.2	36.8	13.9	.50	13.6
Wstn Steer	M	11.63	.13	1.1	12.00	11.50	14.00	9.00	42	.35	.49	- 28.6	14.4	.20	1.7	.....	6 mos.	08-85	11.8	14.6	.4	300.0	.27	285.7	23.2	17.2	.7	75.0	.54	63.6
Winners Cp	N	5.63	- .88	- 13.5	6.50	5.50	8.75	5.13	260	.65	.96	- 32.3	NM	.00	.0	.....	6 mos.	06-85	28.0	- .4	.2	- 75.0	.06	- 66.7	51.9	- 1.0	(.4)	- 100.0	(.10)	- 100.0
Hotels, Motels, and Casinos																														
Brock Hotel Cp	N	1.25	- .25	- 16.7	1.63	1.25	5.13	1.25	1,303	.92	.67	37.3	NE	.10	8.0	.....	6 mos.	06-85	61.9	- 9.4	(13.8)	NE	(.97)	NE	128.7	- 9.0	.1	NE	.01	NE
Hilton Hotels	N	57.25	- 1.00	- 1.7	59.38	57.00	73.50	51.25	1,103	.45	.82	- 45.1	12.1	1.80	3.1	.....	6 mos.	06-85	190.7	40.7	27.5	11.8	1.11	20.7	358.9	19.8	51.0	16.7	2.05	25.6
Holiday Cp	N	50.50	- .75	- 1.5	53.50	50.00	58.13	35.50	14,874	5.46	1.88	190.4	12.0	1.00	2.0	.....	6 mos.	06-85	470.3	3.7	32.2	- 7.2	1.16	23.4	897.5	5.0	65.9	8.6	2.24	37.4
Prime Mtr Inn	N	32.25	- 3.00	- 8.5	35.38	32.00	36.75	16.13	1,471	.76	1.23	- 38.2	25.2	.09	.3	.....	fiscal	06-85	126.9	474.2	7.7	67.4	.39	62.5	304.5	320.0	25.0	44.5	1.28	42.2
Ramada Inns	N	7.75	- .25	- 3.1	8.13	7.50	9.50	5.13	9,969	2.68	3.57	- 24.9	55.4	.00	.0	.....	6 mos.	06-85	149.9	1.6	2.6	420.0	.07	600.0	287.4	- 1.3	1.0	25.0	.03	50.0
Servico Inc	M	19.50	.25	1.3	20.00	19.25	21.38	13.44	89	.26	.26	.0	9.7	.00a	.0	.....	6 mos.	06-85	51.1	8.0	4.1	115.8	1.07	114.0	93.1	3.2	4.2	50.0	1.11	50.0
Sonesta Intl	M	23.00	.50	2.2	25.50	23.00	27.00	18.50	2	.01	.07	- 85.7	7.1	.40	1.7	.....	6 mos.	06-85	20.9	- 6.7	1.8	- 14.3	1.65	19.6	32.9	- 9.4	(.3)	NC	(.20)	NE
Other Companies with Food-Service Operations																														
Allegheny Bev	M	16.63	- 1.25	- 7.0	17.38	16.50	22.63	15.50	1,000	1.66	1.81	- 8.3	1.6	.40	2.4	.....	3 mos.	06-85	225.3	88.9	69.9	3395.0	11.20	3400.0	225.3	88.9	69.9	3395.0	11.20	3400.0
Arden Intl	O	2.88	.25	9.5	3.00	2.63	2.88	1.13	141	.60	.60	.0	NE	.00	.0		6 mos.	06-85	1.4	- 58.8	.0	NE	.01	NE	4.9	- 22.2	(.1)	NE	(.03)	NE
Ch Full O Nut	N	8.63	.38	4.5	9.00	8.13	11.41	7.03	396	.81	.61	32.8	NM	.00a	.0	.....	fiscal	07-85	30.7	.7	(.4)	NE	(.08)	NE	117.8	.3	.0	- 100.0	.01	- 93.8
Disney, Walt	N	85.50	1.25	1.5	87.38	82.88	95.00	54.50	2,947	.89	1.43	- 37.8	48.3	1.20	1.4	.....	9 mos.	06-85	546.9	11.2	52.5	15.6	1.56	26.8	1424.9	17.0	119.7	39.7	3.55	48.5
Gen Mills	N	63.00	2.38	3.9	65.25	60.75	65.25	47.75	21,990	4.95	1.44	243.8	38.7	2.24	3.6	.....	fiscal	05-85	984.6	- 27.7	(108.5)	- 100.0	.84	- 6.7	4285.2	- 23.5	(72.9)	- 100.0	1.63	- 67.3
Grace W R	N	38.88	- .88	- 2.2	40.38	38.63	45.00	38.50	3,380	.70	.85	- 17.6	11.3	2.80	7.2	.....	6 mos.	06-85	1908.8	9.6	41.4	- 28.0	.83	- 29.7	3488.8	7.7	76.9	- 25.6	1.55	- 26.9
Horn & Hardart	A	6.63	- .75	- 10.2	7.50	6.50	12.00	6.50	3,159	2.53	.99	160.6	NM	.00a	.0	.....	6 mos.	06-85	91.3	- 2.6	(1.7)	- 100.0	(.15)	- 100.0	173.6	- 3.6	(1.7)	- 100.0	(.16)	- 100.0
Ogden Corp	N	30.25	.38	1.3	30.50	29.63	34.25	24.38	1,010	.53	.97	45.4	17.4	1.80	6.0	.....	6 mos.	06-85	NC	NC	5.4	- 53.0	.27	- 55.0	502.3	- 53.8	17.4	- 25.0	.90	- 25.6
PepsiCo Inc	N	59.63	.25	.4	61.75	59.00	61.75	39.88	11,733	1.25	1.29	- 3.1	10.8	1.78	3.0	.....	6 mos.	06-85	1880.8	- .3	256.3	174.1	2.68	173.5	3564.4	2.1	319.1	126.8	3.34	125.7
Pillsbury Co	N	60.00	1.13	1.9	61.75	56.75	63.50	38.63	15,080	3.48	1.54	126.0	13.6	1.72	2.9	.....	fiscal	05-85	1219.4	12.6	47.3	1.3	1.09	.9	4670.6	11.9	191.8	13.0	4.42	13.0
Restec	O	3.50	.00	.0	4.25	3.50	4.50	3.50	1	.01	.04	- 75.0	NC	.00	.0	.....	3 mos.	03-85	1.1	57.1	(.1)	NC	(.03)	- 100.0	1.1	57.1	(.1)	NC	(.03)	- 100.0
Reynolds, RJ	N	26.38	.38	1.4	27.38	26.00	35.00	25.50	26,207	1.03	1.02	1.0	8.2	1.40	5.3	.....	6 mos.	06-85	3404.0	31.0	228.0	- 14.3	.86	- 3.4	6302.0	34.4	410.0	- 5.1	1.52	7.0
Vie de France	M	8.88	- .25	- 2.7	9.50	8.88	14.13	8.13	263	.24	.70	- 65.7	17.1	.23	2.6	.....	fiscal	06-85	14.6	- 2.0	1.1	- 38.9	.10	- 41.2	63.1	14.3	5.6	- 5.1	.52	- 10.3

Data and Table Provided by Media General Financial Services, Inc., Richmond, Virginia 23219

NOTES AND EXPLANATIONS: Market: N—New York Stock Exchange. A—American Stock Exchange. O—NASDAQ Over-The-Counter. M—NASDAQ National Market. **Reporting Period:** 3 mos.—First quarter of fiscal year. 6 mos.—First six months of fiscal year. 9 mos.—First nine months of fiscal year. fiscal—Fiscal year. NEW—New report since last issue. **General Field Footnotes:** NA—Not available or not applicable. NC—Data required for calculation currently incomplete in our files. NE—Negative earnings invalidate calculations. NM—No meaningful figure. a—stock dividend. b—cash plus stock dividend. **The Charts:** The *NRN* Stock Index calculates the per cent change in the market value of food-service operators since Oct. 28, 1983. The *NRN* Stock Index vs. Dow Jones Index calculates the relative performance of the two indexes from their levels of 52 weeks ago.

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NEWSPAPER

Philly's Poses back to basics

Headliner profile/Page F3

Thompson fights City Hall and wins

Beating the ban/Page 3

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Schonfeld's Promo report/Page 41

Nation's
Restaurant News®

The Weekly Newspaper of the Food-Service Industry

Vol. 19, No. 43 | Published every Monday by Lebhar-Friedman Inc.; $1 a copy, $18 a year | October 21, 1985

Campbell shakes up BK's marketing division

HIGHLIGHTS OF BURGER KING'S IMAGE ENHANCEMENT PROGRAM

Burger King's [illegible] ment program will spruce up the lo[illegible] menities and vastly improve serv[illegible]de:

- Self-serve soft drink [illegible] that offer fre[illegible]
- Removal of p[illegible] in favor of classier wooden furniture and [illegible]
- Installment of [illegible] for speed[illegible]vice
- Replacing the multiple-line service system with a single line feeding into a bank of cash registers
- The use of hand-held POS units to take orders on line

'Battle of the Burgers' approach softened

By David Zuckerman

MIAMI — Distressed by the reformulated Whopper's lukewarm reception and a general lack of excitement on the marketing front, Burger King chairman and chief executive J. Jeffrey Campbell is pushing ahead with a new marketing strategy aimed at refocusing public attention on the 4,600-unit chain.

He has already made a key personnel change by reassigning Donald Dempsey—formerly executive vice president of marketing—to an operations training post. Day-to-day marketing chores have been passed to Burger King president Jay O. Darling, at least until a new marketing chief can be found, a company spokesman said.

What Campbell appears to be seeking is a new way to set the chain apart from the competition, as when Burger King jolted the fast-food burger segment three years ago with its gutsy "Battle of the Burgers" marketing campaign.

This time, however, the comparative advertising approach will likely take a backseat to a more image-oriented campaign. As Campbell sees it, the tide of the fast-food burger segment has shifted away from a straight competition over who has the biggest or best-tasting ham-

*(See **CAMPBELL**, page 161)*

Packwood dismisses industry concerns over deduction cap

By Ken Rankin

WASHINGTON — Food-service industry hopes for Congressional action to preserve business meal deductions have dimmed as Senate Finance Committee chairman Robert Packwood (R-Ore.) turned a deaf ear to tax reform concerns raised by restaurant lobbyists.

After listening impassively to warnings that pending Reagan administration meal deduction caps would have a catastropic impact on food service, Packwood told restaurant industry and union leaders that neither he nor the "American public" is sympathetic to their arguments.

Packwood's blunt rebuff—his first public statement on the business meal deduction issue—came in response to testimony earlier this month by executives from the National Restaurant Association, the Hotel Employees and Restaurant Employees International Union (HEREIU), the American Hotel and Motel Association and other critics of the administration's plan to limit business meal write-offs.

*(See **PACKWOOD**, page 122)*

NRN Photo

Testifying at committee hearing, from left: NRA executive vice president William Fisher, MainStreets Coalition chairman Moon Landrieu, AH&MA representative Alphonse Aslomone and HEREIU representative Robert Juliano.

Gerlach quits H&H post; Florescue assumes title

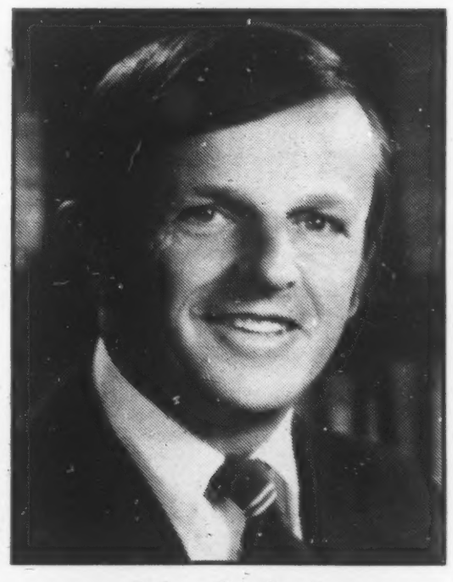
By Don Jeffrey

NEW YORK — Barry Florescue, Horn & Hardart's flamboyant chairman and chief executive, has taken over the duties and titles of president and chief operating officer following the unexpected resignation of John Gerlach.

Gerlach, a 52-year-old financial expert, resigned "for personal reasons," according to the company, which operates and franchises the 340-unit Bojangles' chicken chain. He was unavailable for comment.

Sales and profits have been disappointing this year. For the six-month period ended June 29, net profit fell 77%, to $1.38 million, while revenue dropped 5%, to $173 million. Florescue said the company would post a loss for the third quarter, but he denied that

*(See **GERLACH**, page 161)*



John Gerlach
Resignation was unexpected

Flakey's facing default on $8 million bank loan

By Richard Martin

KIRKLAND, Wash. — Flakey Jake's, forced out of compliance with an $8 million loan agreement by record second-quarter losses, now faces a Dec. 17 bank deadline: Either it raise funds through a new stock offer or risk default.

Meanwhile, last month the company laid off 18 corporate staffers, including vice presidents, and named its third operations chief so far this year, Wallace Doolin, who came to Flakey's from W. R. Grace's T. J. Applebee's casual restaurant division, where he was president.

The 37-unit build-your-own-burger outfit has proposed an underwritten public offering to sell two million of its common shares in minimum 15,000-share blocks, about 29% of all its current shares outstanding. It could

*(See **FLAKEY'S**, page 161)*

Industry capitalizing on changes in society, Cherne tells MUFSO

By D. M. Levine

ORLANDO, Fla. — Conservative economist Leo Cherne declared that the food-service industry is "insulated" from a "painful" evolutionary shift that is transforming the United States from a smokestack industrial society to one that is technologically oriented.

"Society is placing a new emphasis on leisure and entertainment and services of every character, including food service," Cherne said. He made his comment at *Nation's Restaurant News'* 26th annual Multi Unit Food-Service Operators (MUFSO) conference held at the Hyatt Regency Grand Cypress here. *(More MUFSO coverage next issue.)*

The food-service industry, Cherne said, is in a good position for continued growth, mostly because of large numbers of women who have entered the labor force over the last 20 years. Predicting the pace will continue well into the next century, Cherne said, "Served food is becoming an increasing necessity, not the luxu-

*(See **MUFSO**, page 161)*